



**Admiral James M. Loy**  
**National Press Club**  
**"The National Relevance of the Future of the Coast Guard"**  
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I. Introduction.

If the Coast Guard were a topic on the TV game show, "Family Feud" . . . and Richard Dawson surveyed a hundred Americans to ask them what the Coast Guard does for a living . . . the first contestant trying to match the survey would recall seeing us on "Baywatch" and would confidently declare that we "save lives." Richard Dawson would thoughtfully repeat the answer, turn to his display board, and say, "Show me . . . 'Save lives!'" The bell would ring, the top panel would roll over to reveal the words "Search and Rescue," and the crowd would go wild when they saw that saving lives had been named by 85 of the 100 respondents. High fives all around, and Dawson kisses the contestant's mother in-law, who's next in line.

After a minute or so, the excitement would die down, Mr. Dawson would approach the mother in-law, and suddenly the sound stage would get tense as the contestants scratched their heads and tried to imagine what else could possibly be involved in the business of guarding the coast. Maybe one of the family members would hesitantly mumble something about law enforcement and pick up a few more points—but pretty soon we'd be hearing the harsh buzzing sound that means no match . . . you lose!

My purpose today is twofold: first is to raise the visibility of the national relevance of current and future Coast Guard service to America; and second, to offer two reasons why the members of the National Press Club should care about the direction and effectiveness of this fifth armed service, housed in the Department of Transportation and consuming about one quarter of one percent of the federal budget.

II. The Present.

A. Breadth of (Deepwater) Missions.

Very few people understand the full breadth of our service's mission portfolio. One reason the "Family Feud" contestants might have trouble naming our duties is that much of our work happens far out at sea.

Search and Rescue may define the core humanitarian character of our service, but it barely cracks our top five missions in terms of operating expenses. Search and Rescue claims a smaller piece of the pie than Drug Interdiction, Fisheries and Marine Sanctuaries Enforcement, Marine Safety, or Aids to Navigation.

It is the Coast Guard you see most . . . the JFK, Jr., tragedy; Egypt Air 990; the floods in North Carolina after Hurricane Floyd; heroic rescues from patrol boats or helicopters. And clearly, in the heart of every Coast Guard man or woman, it is the mission we hold dearest, the one that stamps our identity.

But we have many other missions—missions like Marine Environmental Protection, Icebreaking, Migrant Interdiction, Defense Readiness, and International Outreach that take us far from the coast to help carry out America's vital security and economic interests.

One reporter referred to us last year as "Congress's favorite manservant for any problem that's wet." It's a pretty fair characterization.

Another characterization was offered in 1962, when the Secretary of the Treasury chaired a commission studying our missions and concluded that "many of the Coast Guard's multiple functions were transferred to it during national emergencies under the hard logic of expediency; there was nobody else who could do the job right then." Almost all such functions have simply stayed in our portfolio because they all got done well.

The hard logic has persisted and become a habit. If it's important, and if it's wet—the Coast Guard gets the job.

About a week ago, a letter to the editor in the *Washington Post* asked why the Coast Guard was involved in a law enforcement operation off the coast of Guatemala and expressed curiosity as to exactly whose coast we were being paid to guard. It's a fair question, and the answer is that we were operating off the coast of Guatemala because that's where a boatload of illegal immigrants headed for the United States happened to be.

That same week we intercepted over ten tons of illegal drugs in three cases scattered from the central Caribbean to the Pacific high seas west of Mexico. We intercepted them there because that's where they were. The cutter *Polar Star* was breaking ice in Antarctica because that's where ice needed to be broken to support U.S. scientific research.

If you want to keep a burglar out of your bedroom, are you better served by locking your bedroom door or the front door to the house? The same principle applies to many of our missions. If we want to prevent illegal immigrants or illegal drugs or weapons of mass destruction from reaching our shores, we are best served by engaging those threats long before they reach the beach.

Further, many economic and environmental threats—high seas drift netting and incursions into our exclusive economic zone—are never visible from our shores. But the invisibility of these threats diminishes neither the national urgency of nor the Coast Guard responsibility for countering them.

The reality is that we have a broad range of missions that take us far from the coastal SAR that most people associate with us. We're proud of the 90,000 lives we saved since 1994. But we're also proud of the steady decline in oil spills we helped bring about over

the past decade, the record we set for cocaine seizures last year, the heating oil that's reaching the northeast today as a result of our domestic icebreaking efforts, and much more.

## B. Present Concerns.

Unfortunately, our pride does not mean that we don't have some very real concerns.

Every service chief manages an equation in which capability equals the product of modernization, readiness, and current operations. Modernization buys the capability to perform tomorrow's missions. Readiness builds the near-term capability that allows us to respond to today's challenges and surge for major emergencies. Current operations consume resources to do today's job today. Part of my job as commandant is to keep these three factors in balance to provide both the long-term and short-term capabilities to do the Coast Guard work that America demands.

Imagine three tanks supplying fuel to three engines. One engine represents modernization, one represents readiness, and the third represents current operations. Under normal circumstances, if one tank runs low, we can siphon fuel from the other tanks to keep all three tanks at acceptable levels.

My concern today is that my readiness and modernization tanks are at unacceptably low levels, and my current operations tank doesn't have any extra fuel because the growth of our mandated responsibilities has not been matched by increased resources.

We can see the consequences of this situation by looking at a spot on the globe that is about as far removed as possible from our coast—the island of Guam in the Western Pacific.

We station a buoy tender and a coastal patrol boat in Guam. The buoy tender is over fifty years old—well beyond the normal life expectancy for a ship. The patrol boat is only six years old, but its materiel condition has been degraded by the difficulties of supporting maintenance in such a remote location. Furthermore, the operational demands on these units rose dramatically last year because of a significant spike in illegal immigration activity from mainland China.

If the modernization tank had been full, we would have had either a newer buoy tender or a more suitable multi-mission cutter in Guam to handle the immigration cases—and there would have been no problem. If the readiness tank had been full, the units could have handled the surge workload—and again, there would have been no problem.

What happened instead is that neither cutter had the capacity to take on much more than they were already doing. When the workload spiked, equipment reliability suffered. We rode the ships and people hard. The result was exhausted sailors and two cutters that needed major maintenance at the same time. For about three weeks this month, I didn't have any operating cutters in Guam. Furthermore, my air coverage from Hawaii was limited because my Air Station there had its hands full with its own readiness problems. If the Alaska Air Flight 261 crash had occurred in the Western Pacific instead of the

Eastern Pacific, there could have been a glaring lack of a Coast Guard response. America expects and deserves better.

The situation in Guam illustrates what happens when we get stretched too thin. And it is representative of similar situations throughout the Coast Guard. If you're already doing all you can do, there's nothing left when emergencies arise and demand extra effort. Your only choice is to hold your breath, sail the ship, and take it out on the backs of your already overworked people.

Thus, my most immediate pressing concern is restoring our readiness—making sure the Coast Guard will be able to respond the next time there's a hurricane, or a major oil spill, or a mass migration, or a surge in drug shipments.

What are we doing about it? Given that the three relevant variables in my capabilities equation are readiness, modernization, and current operations, my only option for improving immediate readiness is adjusting current operations.

To ease the most immediate strains, I have directed my senior operational commanders to adjust their non-emergency cutter and aircraft deployment schedules to make sure they do not exceed the levels that can be sustained by the training, maintenance and other support systems that we have in place. In other words, we will no longer sustain routine operations—despite their productivity—by overtaxing units. If an air station can meet its programmed flight hours only by cutting back on training its maintenance crews, the commanding officer can ask the operational commander to adjust the programmed hours.

This direction may sound like a fairly simple common-sense change—and maybe we should have started making management decisions like it a long time ago. But it marks an important cultural shift in the Coast Guard—a new willingness to admit there are limits on what we can accomplish, and a new awareness that the short-term pride in doing more with less comes at a price we shouldn't always be willing to pay. We'll still answer every SAR alarm, but we're going to make a more conscious effort to keep people and equipment fresh for the emergencies we know will come.

Our readiness shortfalls did not occur overnight, and they won't get fixed overnight, but I am working hard with the administration and the congress to address them. The President's FY01 budget calls for an increase in our operating and acquisition budgets, and I am confident that Congress will support this increase as a step towards restoring our readiness to a level appropriate to our mission requirements across the board.

### III. The Future

What then of the future? My capabilities equation points to modernization as the key to future readiness.

First, let me be clear that within just a couple years, our coastal asset inventory will be re-capitalized. New buoy tenders, coastal patrol boats, and motor life-boats are coming off the manufacturing lines as we speak. That's a good thing!

My concern is our pressing need to re-capitalize our aging fleet of ships and aircraft and the command and control system that perform our missions beyond the coastal zone. Of the 41 comparably sized navy and coast guard fleets in the world, only two are older than our deepwater fleet. But more important than their age is the consideration that our current assets simply do not provide the capabilities we need to perform our missions. And they get more expensive to maintain and operate every year.

The one-word answer to that dilemma is Deepwater. Deepwater is the short name of our Integrated Deepwater System acquisition project to replace our aging assets that work in the open ocean.

The need for this re-capitalization is well grounded in a rigorous analysis of a real and growing gap between our capabilities and our mission requirements.

The future capability requirements come from a carefully prepared strategic planning document, called *Coast Guard 2020*, that describes the operating environment we expect to face in the year 2020 and specifies the mission profile America will need us to perform. Copies are available.

Deepwater will be the largest acquisition project in the history of the Coast Guard, and its size has prompted some skepticism, most notably from the General Accounting Office, which otherwise has been very complimentary of many of our management initiatives.

GAO based its reservations of the project on the grounds that, "The Coast Guard needs to develop a realistic estimate of needs based on the capabilities of its current fleet of ships and aircraft for its Deepwater Project." They also think the project is unrealistic because its costs will exceed our present budget for capital projects.

This position surprises me because it contains an implicit refutation of the value of strategic planning. They say we should estimate our needs based on our current capabilities—not on mission requirements, not on the threats we'll defend against, not on the equipment we'll need to protect our forces—but simply on what we have and the size of our current capital budget. They're telling us to replace what we have instead of acquiring what we need. I can't abide that logic.

By evaluating the project only in terms of our current capabilities and current capital budget, this analysis essentially assumes that the status quo is both ideal and immutable. "Whatever is, shall be." Neither assumption is valid.

We are doing all in our power to make our acquisition strategy for Deepwater a model of foresight and prudent stewardship.

This spirit of stewardship and fiscal responsibility extends beyond the Coast Guard and has prompted a desire to obtain independent validation of our future mission expectations before committing to the Deepwater investment.

I am pleased to announce today that this independent validation has been completed. Secretary of Transportation Rodney E. Slater recently sent the President the "Report of

the Interagency Task Force on U.S. Coast Guard Roles and Missions." The President's letter back to Secretary Slater says, "The report makes it clear that a robust Coast Guard will be vital in the 21<sup>st</sup> century to protect and promote many of our nation's important safety, economic, and national security interests."

Convened by executive order . . . chaired by the Deputy Secretary of Transportation Mort Downey . . . and composed of high-level officials from NSC, OMB, the Departments of State, Defense, Justice, Treasury, Commerce, and a broad cross-section of other departments and agencies with a stake in our maritime affairs. . . this task force offers a frank assessment of the maritime challenges we'll face and a practical course of action for meeting them successfully.

The task force offers six over-arching conclusions. Four of them are, and I quote:

1. The Coast Guard roles and missions support national policies and objectives that will endure into the 21<sup>st</sup> century.
2. The United States will continue to need a flexible, adaptable Coast Guard to meet national maritime interests and requirements well into the next century.
3. The re-capitalization of the Coast Guard's Deepwater capability is a near-term national priority.
4. The Integrated Deepwater System project is a sound approach to that end, and the Interagency Task Force strongly endorses its process and timeline.

The other two conclusions encourage creative investment in agility and technology.

I am grateful for the opportunity to release this important report today. It points to the future of the Coast Guard and validates my projection articulated in *Coast Guard 2020*.

#### IV. Summary:

For the present, we are working hard to restore readiness. For the future, we are working to obtain the capabilities we'll need to perform the missions we know will be there. Why should the National Press Club care?

There are two compelling reasons why the future of the Coast Guard has broad national relevance.

##### A. National Importance of Our Missions.

The first reason is that America's enduring national security, social stability, environmental health, and economic vitality are enhanced by a robust and capable Coast Guard. The maritime dimensions to the threats that will challenge our peace and tranquility in those areas are real, growing, and clearly Coast Guard business.

The Coast Guard's mission growth has always paralleled the growth of our nation and its maritime interests. Our service history is the story of a growing nation confronting one emergent maritime need after another. During many such crises, America entrusted the mission to the Coast Guard. Each time, the Coast Guard accepted the new challenge and folded it into its inventory of multi-mission responsibilities.

This historical trend began in the eighteenth century when anti-slavery patrols and tariff collection were assigned to the Revenue Cutter Service—a Coast Guard predecessor service imbued with the magic combination of military discipline and law enforcement authority that makes us unique still today. It continued in the nineteenth century when we assumed responsibility for search and rescue, marine inspection, quarantine laws, or protecting seal herds. In the twentieth century, we arrested rum runners during prohibition, performed convoy escort duty and delivered marines to beachheads during world wars, dealt with the flood of immigrants from Cuba and Haiti, enforced marine environmental laws, and conducted maritime drug interdiction.

And the twenty-first century will bring more of the same. The global economy is expected to double if not triple in the next twenty years. Our inter-connection to the rest of the world will magnify the importance of an efficient and safe marine transportation system, of security from terrorist attack and criminal enterprises, of protection of living marine resources and the marine environment, and of the continued preservation of our national liberty.

Growth points to one set of maritime challenges. Instability points to another. Both sets of challenges promise increased demand for a strong and vital Coast Guard.

## B. Harbinger of Results-Based Government.

I said there were two reasons for our national relevance. The second is that we are the harbinger of the movement towards government accountability.

The past half decade or so has seen a number of pieces of legislation and executive initiatives—the Government Performance and Results Act, the Chief Financial Officer Act, the National Performance Review, and the Vice President's Reinventing Government efforts, various OMB circulars—that indicate a desire on the part of both major political parties to transform the way government does business by making it more responsive and more accountable for performance.

The effectiveness of the various individual laws and initiatives can be debated, but the common idea behind them is hard to ignore—and I believe is here to stay. Together, they comprise what some have called a revolution of results-based government. The best way to check on the status of this revolution over the next few years will be to watch the Coast Guard.

No agency has more whole-heartedly committed itself to results-based government. We are ten years into our quality management journey. We overhauled our strategic planning

and capital asset management processes. We willingly submitted to a massive streamlining from 1994 through 1998 that slashed our operating base. We think we represent one of the taxpayers' best investments, and we've invited scrutiny by holding ourselves accountable for more quantifiable performance measures across a broader mission spectrum than any other agency I can think of.

Why is this news? Because our health and success will be a reliable indicator of whether result-based management will take deeper root across the federal government.

Next month, *Government Executive* magazine will publish a segment of its Government Performance Project in which they examined our management practices. They give us nearly straight A's for our stewardship of the taxpayer's money. I think we got a "B" in Financial Management—but that grade was in before we obtained our clean audit under the CFO Act.

That same *Government Executive* article reports criticism from some quarters as to the Coast Guard's naivete in our streamlining and budget process efforts. It is reported that some think we have injured our own interests by saluting smartly and marching into the GPRA breach—or over the National Performance Review cliff—when wiler measures might have netted us bigger budgets by resisting calls for greater efficiency.

The critics may be right, but our cultural ethic forced a deliberate choice to play it straight. We could have resisted streamlining and seized any number of opportunities to play politics or cash in on news events to increase our base during a strong economy. But we didn't.

We threw our lot in with results-based government. We've collected Hammer Awards, and ISO 9000 certifications. We have Reinvention Lab status assigned to projects including Deepwater. We've worked hard to do these things right.

You could say we are the canary in the coal mine. If our pioneering effort to publish performance goals and hold ourselves accountable results in a slow atrophy of our capability, then no agency heads in their right minds will follow our lead. And we can look back on results-based government as a fad of the nineties. That would be a terrible loss for the American taxpayer.

But I don't think that will happen.

I'm betting that the credibility we earned by keeping our belts tight will carry the day. The Coast Guard has demonstrated its good faith. The payback is that when we say we need something, the administration, the congress, and the public can believe a) we're telling the truth, and b) we've done our homework to make sure we only spend money in the taxpayers' best interest.

I am convinced that the clear national need for a robust Coast Guard, combined with our track record of integrity and good management, will win the day. I retain an upbeat faith that the good will of the American public will reveal itself through the political process in the form of adequate resources to do our jobs.

There is still room for—no—there’s still a need for idealism in public service. I’m betting the future of the Coast Guard and the future of America’s maritime security on it.

The Administration and Congress have supported our requests for developmental work on the Deepwater project, and I believe they will continue to support this project when it’s time to write the big checks and get down to cutting steel.

I intend to surprise everybody by playing by the rules and succeeding anyway. If I’m right, others will follow. Stay tuned.

Conclusion:

Ladies and gentlemen, I am enormously proud of what we do for America. I considered bringing along a handful of testimonials to service that I receive every week from Americans whose lives the Coast Guard touched or perhaps saved. I considered bringing along a couple Coast Guard heroes to have them tell their stories. Instead, I simply ask you to understand the importance of restoring our readiness and shaping our future so we can continue to serve America.

Someone who spends 40 years of his life in an organization becomes one with it. I believe deeply in what we do and how we do it. I am thankful for the young Americans who join us to do noble work, even if it takes them to dangerous places—or places them in dangerous situations. These young Americans are warriors, constables, life savers, regulators, and environmentalists. You can sleep well. They are on watch.

Semper Paratus.

